

Germany Offers Peace, No Terms Given; England Receives Proposal Coldly

CONFERENCE OF ENTENTE WILL FORCE WAR TO GO ON

Lloyd George, Called "Avenger," Certain to Spurn Teutonic Offer of Negotiations, Is London Belief

NO PARLEY UNTIL TEUTONS RELINQUISH SMALL NATIONS

English Believe Kaiser, by Acting Now, Seeks to Take Advantage of French and British Cabinet Crises

By ARTHUR S. DRAPER.
[By Cable to The Tribune.]

London, Dec. 12.—Peace may have been brought a step nearer by Germany's appeal to the neutral nations, but the end of the war still is a long way off. The address of the Imperial Chancellor caused no surprise in England. British officials have been expecting some such move on the part of the Kaiser for some time.

No member of the government will discuss the matter at present, for the Foreign Office has not yet seen the official text of the peace plea and will allow no comment until then. The news of the Reichstag's action left the English people cold and unresponsive. England is sick of war, but it has no desire to stop now.

Hollweg delayed too long in advancing his proposal. If he desired success, he should have spoken before the present political crises in the Allies' capitals. With the radical changes in the cabinets of France and England just being effected, the people of these nations cannot fail to regard the Chancellor's action, not as an offer of peace, but as a request that the war end before misfortune overtakes the German arms.

Before the Allies reply, they must confer, and they will do this immediately. It is almost certain that their joint decision will contain terms which Germany will refuse to accept, considering the present position of her forces on the map of war.

Lloyd George will probably announce Britain's attitude in this crisis in Parliament early next week. His present views are so well known that it is safe to assume the nature of his reply.

Britain is not prepared for peace. Although the Kaiser's and Chancellor's statements have caused tremendous interest, there has been little or no excitement. The people have always expected the fulfillment of the pledges made in Asquith's Guildhall speech. They have always expected that they would beat Germany in the long run. But they are not vindictive. While their pride and prestige count considerably, justice and the security of the nation mean infinitely more to them.

Lloyd George faced a task of heroic proportions before to-day's announcements from Berlin. Now his burden is immeasurably greater. He is placed between two forces—the enemy and the world demand for peace.

Lloyd George is Key
Upon his decision rests Europe's future. No figure in history has had a more tremendous responsibility. He must decide whether a further sacrifice of the life and wealth of the Allies is justifiable. Britain's influence is so great that her comrades in arms will follow wherever she leads. She will decide the fate of Europe.

His stands between peace and war; between rule by might and rule by justice, and this responsibility comes to him at a time when he is confined to his room by illness; when he is plunged into the details of the reorganization of his ministry for a more vigorous prosecution of the war.

His recent views are an index to his coming decision. I may venture to prophesy that his reply can only be one that Germany will reject. He will tell Germany that he will not accept, at this time, any offer of peace by negotiation. That may come later; but the Allies are now confident that their military position will be more favorable next year.

What Allies Demand
When the Imperial Chancellor included in his peace offer expressions of Germany's willingness to surrender Constantinople and the straits to Russia when he is ready to restore Alsace-Lorraine to France, to evacuate Belgium, Serbia, Poland and other small countries now under the heel of the Kaiser's armies and make due reparation, then peace by negotiation may be likely.

USE BELGIUM TO GET PEACE

Germany Would Have Albert Force Allies to Terms, Says London

London, Dec. 12.—"The Daily Telegraph" to-day prints editorially the following: "We have received information from an unimpeachable source that the Central Powers recently offered peace to Belgium on the following terms: 'The Belgians are invited to insist upon immediate peace. In return for this their country will be restored to them, its independence guaranteed and financial assistance given for its economic rehabilitation.'"

"In the event of these terms being refused the intimation has been given Belgium that her very existence—her monuments, her public buildings and even her towns—is threatened."

STOCKS DROP ON PEACE TALK

Market in Turmoil; Nearly 2,500,000 Shares Sold

Germany's peace adventure produced a great commotion in Wall Street and beyond. It was felt on the Stock Exchange, in the cotton and grain markets, in the money market, in the buying and selling of commercial paper, in the exchange value of foreign money and in the quotations for the securities of belligerent nations.

The effects in these several directions were of variable intensity. They were most acute on the Stock Exchange and in the wheat market. Elsewhere they might be called rather precautionary, or premonitory, for there were few bankers or others who seriously thought that as a result of Germany's overtures the war would suddenly end.

Nevertheless there were some exciting rumors, especially in the foreign exchange market, where it was reported that Italy had taken her heart out of the war, and that Russia was open to a separate peace—hence, the confidence with which Germany put forth her proposals.

Allies Notes Show Rise
One of the most interesting single effects was the rise of 1½ points in the quotation for Anglo-French 5 per cent. unsecured notes, which recently had been very weak.

This advance in response to the news from Berlin might be construed in two ways—either as reflecting the opinion that the close of the war by negotiation had been brought within view, or that Germany's asking for peace was a betrayal of an inner weakness which might be trusted presently to end the war in another way.

For several weeks there has been a suspicion that high international finance was moving to end the war. But members of the financial community reacted to the news from Berlin yesterday in an emotional manner—that is to say, not as financiers thinking in terms of finance, but as individuals governed by feeling.

Bankers who are pro-German in their feelings thought it a brilliant stroke on the part of Germany and predicted that the Allies, if they declined to discuss peace, would find themselves in a position of moral discomfort. Bankers who are pro-Allies in their feelings thought it was what anybody might have expected Germany to do, did not consider that the situation was greatly changed and thought the Allies would decline to consider peace on Germany's terms.

Markets Get Shock Early

Trading on the various exchanges had been under way only a short time when the news of Germany's peace proposal reached Wall Street. Demoralization immediately ensued on the floor of the New York Stock Exchange and on the Broad Street curb as owners of securities rushed to convert them into cash. The selling movement gained impetus as the trading progressed. Prices of securities gave way in all directions, war munition shares, in which the advances had been the greatest, suffering the largest losses. At the bottom leading issues showed declines ranging from 1 to 27 points.

The selling of stocks was in such volume that it literally clogged the machinery of the exchange. At times the stock tickers ran twenty minutes behind the market. There was a flood of orders in brokers' hands when the gong sounded the close of business, and so many dealings were made just at the end of the day that the reporters of the exchange were unable to transmit the sales to the ticker tape until long after 3 o'clock. The last sale of stock came out on the tape at 3:18, and at that time the

PEACE STILL FAR DISTANT, IS VIEW IN WASHINGTON

Conference Likely, but Terms Suggested by Teutons Will Be Rejected, Officials Say.

(From The Tribune Bureau.)

Washington, Dec. 12.—At first skeptical of the success of Germany's proposal for a peace conference, Washington to-night believes that the German government has executed a master stroke of diplomacy. By omitting to suggest terms, Germany leaves the Allies, it is thought, no reasonable basis for a rejection of the invitation to a conference.

When the first despatches referring to Chancellor Bethmann-Hollweg's speech were received it was supposed that the offer included an outline of the terms which Germany wanted to discuss. This opinion was strengthened by semi-official utterances from Teutonic diplomatic quarters, where an outline of the probable terms was issued.

MERELY PROPOSES A CONFERENCE.

Later advices, however, made it appear that Hollweg had proposed merely a conference at which each belligerent, during the winter lull in the military campaigns, might make known its minimum demands, and through which the whole world might learn what the purposes of the various belligerents were. On this understanding, it is believed, it will be hard for the Allies to refuse serious consideration to the offer.

Accepting the invitation to discuss terms, however, would be far from making peace, it is pointed out. It is believed everywhere in official quarters that peace is a long way off, because the Allies are not ready to accept terms to which Germany believes she is entitled, on the basis of the war map.

Washington Is Stirred

Official and diplomatic quarters were stirred to the depths by the direct German proposal. From President Wilson down there was general recognition that, regardless of the success of the venture, Germany had taken a step that must have a profound effect on the future conduct of the war.

Teutonic diplomats, who had been advised several days ago to expect such a move early this week, made no attempt to conceal their jubilation. It came as a complete surprise elsewhere, however.

President Wilson let it be known through Secretary Tumulty that he was deeply interested, but that he could make no comment until the views of the Allies had been made known. At the Allied embassies and legations it was said that no statement could be made, as it might embarrass their home governments.

The belief is that Lloyd George, in his speech to Parliament Thursday, will make a more or less definite reply to Germany. On this speech, it is thought, hangs largely the fate of the German proposal.

The freest comment was made in German diplomatic quarters. There it was declared that Germany expected the neutrals of the world, particularly the United States, to encourage and support this effort to bring an end to the war. It was pointed out that President Wilson had several times expressed his readiness to encourage a discussion of peace terms if any of the belligerents should propose it.

Bernstorff Is Hopeful

The Teutonic diplomats are hopeful also that England and her Allies will consider the offer. They point in support of this hope to the recent declaration of Lord Derby that England was ready to listen to the proposals of her enemies.

Ambassador von Bernstorff, forsaking his rule of saying nothing for publication, issued the following statement: "I was deeply gratified by the steps taken by my government, and hope they will lead to peace. Even if they do not, it is clear that Germany, after her great victory, wants peace and does not want to bear the responsibility for the further suffering of mankind and the loss of life and property. Germany wants peace and does not desire conquest."

The ambassador added that he could say nothing of the probable terms that Germany would offer if a peace conference were arranged. He said that there was nothing, so far as he knew, to indicate that any official proposal of terms had been made by his government, but that apparently the invitation was merely to a conference.

No Armistice Likely

There is no likelihood, it is believed, that a armistice can be arranged while terms are being discussed. The principal obstacle, according to Teutonic opinion, is the fact that this war is not only military, but economic. While it would be simple to arrange an armistice for the men in the trenches, it would be practically im-

CALMLY AWAIT FOE'S REPLY, SAYS HOLLWEG

Berlin, Dec. 12.—Chancellor von Bethmann-Hollweg in his speech on peace before the Reichstag to-day made the following remarks:

Gentlemen, in August, 1914, our enemies challenged the superiority of our power in the world war. To-day we raise the question of peace, which is a question of humanity. We await the answer of our enemies with that serenity of mind which is guaranteed to us by our exterior and interior strength and by our clear conscience.

If our enemies decline to end the war . . . every German heart will burn in sacred wrath against those who are unwilling to stop human slaughter, that their plans of conquest and annihilation may continue. . . . God will be the judge. We can proceed upon our way without fear and unshaken. We are ready for fighting and we are ready for peace.

OFFER OPENS WAY FOR U. S.

Wilson May Tender Good Offices When Note Is Delivered

Washington, Dec. 12.—Germany's proposal for peace is regarded here as having broken the chains which for months have restrained the United States, as well as other neutrals, from making offers of mediation.

Now that one set of belligerents has signified its willingness to discuss peace terms—a condition often reiterated as a necessary prelude to any action by President Wilson—there are indications that when the United States, acting as the intermediary, transmits the German proposal, it may accompany its action by some steps, necessarily delicate, to throw the influence of the United States into the balance for at least a consideration, however preliminary, of the terms on which a lasting peace might be brought to the world.

League of Nations Foreseen

Some ranking American officials believe that a league of nations such as President Wilson has suggested must be the outcome, and that it could not be perfected without the participation of the United States.

Whether the United States will transmit the German proposal without any comment whatever or accompany it with some formal or informal expression will not be finally decided until the note delivered to Joseph C. Grew, American Chargé in Berlin, reaches President Wilson, probably tomorrow.

There were indications to-night that President Wilson might find some way to express the solemn and earnest wish of the United States for a careful consideration of the suggestion of peace, even before the Entente governments have made known their attitude toward the German proposal.

Delicacy Is Prime Necessity

This, it was pointed out, would necessarily be done in such a delicate and ultra-confidential way that it never would be publicly known should the Allies decline the offer. This course was said to be absolutely necessary, so as to leave the United States free and unembarrassed to act when an acceptable peace offer comes.

Regardless of whether President Wilson decides to accompany the German proposal with any word, it was said to-night he unquestionably would take steps to learn the attitude of the Entente Allies toward the peace move and possibly might send to Europe his friend and adviser, Colonel E. M. House.

Diplomats of the Entente Allies regard the peace offer as having the double purpose of placing upon the Allies the responsibility for continuing the war and of impressing upon the German people that they are fighting a defensive conflict against enemies who refuse quarter.

Coming immediately after the culmination of the triumphant Rumanian campaign, the peace offer, Entente diplomats say, is intended also to impress the German people that they need have no lack of confidence in their government's ability to continue the war. One immediate effect of the peace developments upon the United States will be to hold practically in abeyance all the diplomatic issues pending with the warring countries. The new submarine issue with Germany, the protest against deportation of Belgians, the controversy with Great Britain over mails and commerce, all will mark time until it becomes apparent whether they will be solved by the advent of peace.

ALLIES ASKED TO CONFER AT ONCE ON ENDING WAR

Note Sent to Enemy Nations Through U. S., Spain and Switzerland—Pope Urged to Use Influence

HOLLWEG PROMISES TERMS ASSURING LASTING PEACE

Seeks Only Guarantee of Safety and Honor, He Asserts—Kaiser Tells Army to Fight On Until Foe Accepts

Berlin, Dec. 12 (by wireless to Sayville).—Germany and her allies to-day proposed to enter forthwith into peace negotiations.

The propositions which they will bring forward are, according to Chancellor von Bethmann-Hollweg, appropriate for the establishment of a lasting peace, and have for their object the guarantee of existence, of honor and of liberty of evolution for the four allied (Central) powers.

The Austrian, Turkish and Bulgarian governments are making similar proposals. These proposals have been transmitted to the Vatican, and have been handed to the American, Spanish and Swiss representatives here for transmission to the Entente powers.

TEXT OF THE GERMAN NOTE

Following is the text of the note addressed by Germany and her allies to the hostile governments:

The most terrific war ever experienced in history has been raging for the last two years and a half over a large part of the world—a catastrophe which thousands of years of common civilization was unable to prevent, and which injures the most precious achievements of humanity.

Our aims are not to shatter nor annihilate our adversaries. In spite of our consciousness of our military and economic strength and our readiness to continue the war (which has been forced upon us) until the bitter end, if necessary; at the same time prompted by the desire to avoid further bloodshed and make an end to the atrocities of war, the four allied powers propose to enter forthwith into peace negotiations.

The propositions which they bring forward for such negotiations, and which have for their object a guarantee of the existence, of the honor and liberty of evolution for their nations, are, according to their firm belief, an appropriate basis for the establishment of a lasting peace.

The four allied powers have been obliged to take up arms to defend justice and the liberty of national evolution. The glorious deeds of our armies have in no way altered their purpose. We always maintained the firm belief that our own rights and justified claims in no way control the rights of these nations.

RUIN THREATENING EUROPE

The spiritual and material progress which was the pride of Europe at the beginning of the twentieth century is threatened with ruin. Germany and her allies, Austria-Hungary, Bulgaria and Turkey, gave proof of their unconquerable strength in this struggle. They gained gigantic advantages over adversaries superior in number and war material. Our lines stand unshaken against ever repeated attempts made by armies.

The last attack in the Balkans has been rapidly and victoriously overcome. The most recent events have demonstrated that further continuance of the war will not result in breaking the resistance of our forces, and the whole situation with regard to our troops justifies our expectation of further successes.

If in spite of this offer of peace and reconciliation the struggle should go on, the four allied powers are resolved to continue to a victorious end, but they disclaim responsibility for this before humanity and history. The imperial government, through the good offices of your excellency, ask the government of (here, is inserted the name of the neutral power addressed in each instance) to bring this communication to the knowledge of the government of (here are inserted the names of the belligerents).

KAISER NOTIFIES GENERALS OF OFFER

Emperor William has notified his commanding generals of Germany's peace offer, and has informed them it is still uncertain whether the offer will be accepted. The Emperor's order is addressed also to "my navy, which in the common fight has loyally and effectively staked all its strength." It follows: "Soldiers: In agreement with the sovereigns of my allies and with the consciousness of victory I have made an offer of peace to the enemy. Whether it will be accepted is still uncertain. Until that moment arrives you will fight on."

The following announcement was given out to-day by the semi-official Overseas News Agency:

"The Chancellor this morning received one after another the representatives of the United States of America and Spain